

Wisconsin State Legislature

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Joint Committee on Finance *100th ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: May 3, 2011

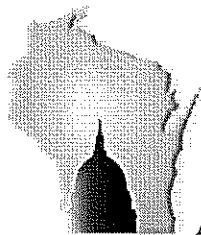
Re: DOA Report to JFC

Attached is a report on temporary reallocation of balances from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

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April 29, 2011

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of March 2011.

On March 1, 2011, the **Medical Assistance Trust Fund** cash balance closed at a negative \$192.3 million. This negative balance continued through March 31, 2011, when the fund's cash balance closed at a negative \$221.2 million. The **Medical Assistance Trust Fund** cash balance reached its intra-month low of a negative \$222.9 million on March 24, 2011.

On March 1, 2011, the **Police and Fire Protection Fund** cash balance closed at a negative \$29.6 million (its intra-month low). This negative balance continued through March 31, 2011, when the fund's cash balance closed at a negative \$25.5 million.

On March 1, 2011, the **Conservation Fund** cash balance closed at a negative \$21.6 million. This negative balance continued through March 15, 2011, when the fund's cash balance closed at a positive \$23.5 million. The **Conservation Fund** cash balance reached its intra-month low of a negative \$24.2 million on March 10, 2011.

On March 1, 2011, the **Democracy Trust Fund** cash balance closed at a negative \$901 thousand. This negative balance continued through March 31, 2011, when the fund's cash balance closed at a negative \$901 thousand.

Mr. Robert Marchant
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On March 2, 2011, the **Support Collections Trust Fund** cash balance closed at a negative \$4.3 million. This negative balance continued intermittently through March 10, 2011, when the fund's cash balance closed at a positive \$1.1 million. The **Support Collections Trust Fund** cash balance reached its intra-month low of a negative \$5.4 million on March 7, 2011.

On March 25, 2011, the **Environmental Fund** cash balance closed at a negative \$54 thousand. This negative balance continued through March 31, 2011, when the fund's cash balance closed at a negative \$170 thousand (its intra-month low).

On March 28, 2011, the **Lottery Fund** cash balance closed at a negative \$6.0 million. This negative balance continued through March 31, 2011, when the fund's cash balance closed at a negative \$6.6 million (its intra-month low).

The Medical Assistance Trust Fund, Police and Fire Protection Fund, Conservation Fund, Democracy Trust Fund, Support Collections Trust Fund, Environmental Fund, and Lottery Fund shortfalls were due to the difference in the timing of revenues and expenditures, were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

Mike Huebsch
Secretary